

OVERVIEW

Procter & Gamble is a global leader in the fast-moving consumer goods industry, focused on providing branded consumer packaged goods of superior quality and value to our consumers around the world. Our products are sold in approximately 180 countries and territories primarily through mass merchandisers, e-commerce (including social commerce) channels, grocery stores, membership club stores, drug stores, department stores, distributors, wholesalers, specialty beauty stores (including airport duty-free stores), high-frequency stores, pharmacies, electronics stores, and professional channels. We also sell direct to individual consumers. We have on-the-ground operations in approximately 70 countries.

Our market environment is highly competitive, with global, regional, and local competitors. In many of the markets and industry segments in which we sell our products, we compete against other branded products, as well as retailers' private-label brands. Additionally, many of the product segments in which we compete are differentiated by price tiers (referred to as super-premium, premium, mid-tier, and value-tier products). We believe we are well-positioned in the industry segments and markets in which we operate, often holding a leadership or significant market share position.

FINANCIAL HIGHLIGHTS AND SALES BREAKDOWN

In 2023, Procter & Gamble reported net sales of \$82.0 billion, a slight increase from \$80.2 billion in 2022. Operating income for 2023 was \$18.1 billion, compared to \$17.8 billion in the previous year. Net earnings attributable to P&G remained steady at \$14.7 billion in both 2023 and 2022. The net earnings margin was 18.0% in 2023, slightly lower than the 18.4% in 2022. Diluted net earnings per common share in 2023 were \$5.90, up from \$5.81 in 2022. Core earnings per share also saw a minor increase, reaching \$5.90 in 2023 compared to \$5.81 in the previous year. Operating cash flow was \$16.8 billion in 2023, a small rise from \$16.7 billion in 2022. Dividends per common share increased to \$3.68 in 2023 from \$3.52 in 2022. Over the past five years, P&G's financial performance has shown growth, with net sales rising from \$67.7 billion in 2019 to \$82.0 billion in 2023. Operating income has also grown from \$5.5 billion in 2019 to \$18.1 billion in 2023, and net earnings attributable to P&G increased from \$3.9 billion in 2019 to \$14.7 billion in 2023. The net earnings margin has improved from 5.9% in 2019 to 18.0% in 2023, and diluted net earnings per common share have surged from \$1.43 in 2019 to \$5.90 in 2023. Core earnings per share have similarly increased from \$4.52 in 2019 to \$5.90 in 2023. Operating cash flow has grown from \$15.2 billion in 2019 to \$16.8 billion in 2023, and dividends per common share have risen from \$2.90 in 2019 to \$3.68 in 2023.

In 2023, Procter & Gamble's net sales were diversified across various business segments and geographic regions. By business segment, Fabric & Home Care

accounted for the largest portion at 35%, followed by Baby, Feminine & Family Care at 25%. Beauty products contributed 18% to net sales, Health Care 14%, and Grooming 8%. Geographically, North America was the largest market, representing 50% of net sales. Europe followed with 21%, while Greater China contributed 9%. The Asia Pacific region accounted for 8% of net sales, Latin America 7%, and India, Middle East & Africa (IMEA) 5%. This distribution highlights P&G's broad market presence and diverse product portfolio.

Organizational Structure

Our organizational structure is comprised of Sector Business Units (SBUs), Enterprise Markets (EMs), Corporate Functions (CF), and Global Business Services (GBS).

Sector Business Units

The Company's ten product categories are organized into five SBUs and five reportable segments (under U.S. GAAP): Beauty, Grooming, Health Care, Fabric & Home Care, and Baby, Feminine & Family Care. The SBUs are responsible for global brand strategy, product upgrades and innovation, marketing plans, and supply chain. They have direct profit responsibility for markets (referred to as Focus Markets) representing the large majority of the Company's sales and earnings. They are also responsible for innovation plans, supply plans, and operating frameworks to drive growth and value creation in the remaining markets (referred to as Enterprise Markets). Throughout the MD&A, we reference business results by region, which are comprised of North America, Europe, Greater China, Latin America, Asia Pacific, and India, Middle East, and Africa (IMEA).

Beauty: We are a global market leader amongst the beauty categories in which we compete, including hair care and skin and personal care. We are a global market leader in the retail hair care market with nearly 20% global market share primarily behind our Pantene and Head & Shoulders brands. In skin and personal care, we offer a wide variety of products, ranging from deodorants to personal cleansing to skin care, such as our Olay brand, which is one of the top facial skin care brands in the world with nearly 5% global market share. The Beauty segment constitutes 18% of our net sales and 21% of our net earnings. The major brands in the Hair Care category are Head & Shoulders, Herbal Essences, Pantene, and Rejoice. For Skin and Personal Care, the major brands include Olay, Old Spice, Safeguard, Secret, and SK-II.

Grooming: We are the global market leader in the blades and razors market. Our global blades and razors market share is more than 60%, primarily behind our Gillette and Venus brands. Our appliances, such as electric shavers and epilators, are sold primarily under the Braun brand in a number of markets around the world where we compete against both global and regional competitors. We hold nearly 25% of the male electric shavers market and over 50% of the female epilators market. The Grooming segment

represents 8% of our net sales and 10% of our net earnings. Major brands in the Grooming category include Braun, Gillette, and Venus.

Health Care: We compete in oral care and personal health care. In oral care, there are several global competitors in the market, and we have the number two market share position with nearly 20% global market share behind our Crest and Oral-B brands. In personal health care, we are a global market leader among the categories in which we compete, including respiratory treatments, digestive wellness, vitamins, and analgesics behind our Vicks, Metamucil, Pepto-Bismol, and Neurobion brands. The Health Care segment accounts for 14% of our net sales and 14% of our net earnings. Major brands for Oral Care are Crest and Oral-B, while Personal Health Care brands include Metamucil, Neurobion, Pepto-Bismol, and Vicks.

Fabric & Home Care: This segment is comprised of a variety of fabric care products, including laundry detergents, additives, and fabric enhancers; and home care products, including dishwashing liquids and detergents, surface cleaners, and air fresheners. In fabric care, we generally have the number one or number two market share position in the markets in which we compete and are the global market leader with over 35% global market share, primarily behind our Tide, Ariel, and Downy brands. Our global home care market share is about 25% across the categories in which we compete, primarily behind our Cascade, Dawn, Febreze, and Swiffer brands. The Fabric & Home Care segment constitutes 35% of our net sales and 32% of our net earnings. Major brands for Fabric Care include Ariel, Downy, Gain, and Tide, while Home Care brands include Cascade, Dawn, Fairy, Febreze, Mr. Clean, and Swiffer.

Baby, Feminine & Family Care: In baby care, we are a global market leader and compete mainly in taped diapers, pants, and baby wipes, with more than 20% global market share. We have the number one or number two market share position in the markets in which we compete, primarily behind our Pampers brand. We are a global market leader in the feminine care category with over 25% global market share, primarily behind our Always and Tampax brands. We also compete in the adult incontinence category in certain markets behind Always Discreet, with over 10% market share in the key markets in which we compete. Our family care business is predominantly a North American business comprised primarily of the Bounty paper towel and Charmin toilet paper brands. North America market shares are over 40% for Bounty and over 25% for Charmin. The Baby, Feminine & Family Care segment represents 25% of our net sales and 23% of our net earnings. Major brands in Baby Care include Luvs and Pampers. For Feminine Care, the major brands are Always, Always Discreet, and Tampax, while Family Care brands include Bounty, Charmin, and Puffs.